



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
JACKSONVILLE DISTRICT CORPS OF ENGINEERS
P.O. BOX 4970
JACKSONVILLE, FLORIDA 32232-0019

**LETTER CONTRACT BETWEEN THE U.S. ARMY CORPS OF ENGINEERS
AND**

**Lake Michigan Contractors, Inc.
49 SW Seminole Street, Suite 202
Stuart, Florida 34994-2123**

CONTRACT NO. W912EP-05-C-0026

**CONTRACT FOR: Marine Corps Terminal, Maintenance Dredging, 38-Foot
Project, Blount Island, Duval County, Florida**

DEFINITION: A letter contract is a written preliminary contractual document that authorizes the Contractor to begin immediately manufacturing supplies or performing services.

SPECIAL PROVISIONS:

1. FAR 52.216-23 -- Execution and Commencement of Work (Apr 1984)

The Contractor shall indicate acceptance of this letter contract by signing three copies of the contract and returning them to the Contracting Officer not later than 14 June 2005. Upon acceptance by both parties, the Contractor shall proceed with performance of the work, including purchase of necessary materials.

(End of Clause)

Note: Performance and payment bonds are required; therefore, a separate notice to proceed will be issued after receipt of bonds. Do not proceed with performance of work prior to receipt of separate notice to proceed.

2. FAR 52.216-24 -- Limitation of Government Liability (Apr 1984)

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$878,450.00.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$878,450.00.

(End of Clause)

3. DFARS 252.217-7027 -- CONTRACT DEFINITIZATION (FEB 1996)

(a) A firm-fixed-price contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation

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(FAR) on the date of execution of the undefinitized contract action, (2) all clauses required by law on the date of execution of the definitive contract action, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a firm-fixed-priced proposal.

(b) The schedule for definitizing this contract is as follows:

Receive Proposal from Contractor -	14 June 2005
Target Date for Definitization -	12 July 2005

(c) If agreement on a definitive contract action to supersede this undefinitized contract action is not reached by the target date in paragraph (b) of this clause, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this underfinitized contract action for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with paragraph (c)(1) of this clause, all clauses, terms, and conditions included in this undefinitized contract action shall continue in effect, except those that by their nature apply only to an undefinitized contract action.

(d) The definitive contract resulting from this undefinitized contract action will include a negotiated firm-fixed-price in no event to exceed \$1,756,900.00.

(End of clause)

4. The terms and conditions contained in Solicitation No. W912EP-05-R-0012 are hereby incorporated into this letter contract.

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ADMINISTRATION:

1. PR&C Number W32CS551589167
2. Authority for less than full and open competition: 10 USC 2304(a)(2) as implemented at FAR 6.302-2.

ATTACHMENTS:

1. Pricing Schedule
2. Request for Proposal (W912EP-05-R-0012) as Amended
(provided previously under separate cover)

(Signature of Contractor's Authorized Representative)

(Date Signed)

(Authorized Representative's Name)

Authorized Representative's Title)

Cynthia S. Tolle
(Contracting Officer's Signature)

10 June 2005
(Date Signed)

CYNTHIA S. TOLLE
(Contracting Officer's Name)

Chief, A-E & CONSTRUCTION Branch
(Contracting Officer's Title)

SECTION 00010A
SUPPLIES AND SERVICES AND PRICES/COSTS
MAINTENANCE DREDGING
38-FOOT PROJECT; MARINE CORPS TERMINAL; BLOUNT ISLAND, FLORIDA
SLIPWAY AND BERTHING AREAS

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>U/M</u>	<u>U/P</u>	<u>AMOUNT</u>
0001	MOBILIZATION AND DEMOBILIZATION	1	JB	LUMP SUM	<u>500,000.00</u>
0002	EXCAVATION, UNCLASSIFIED (ESTIMATED QUANTITY - SEE NOTE 1)	300,000	CY	<u>4.00</u>	<u>1,200,000.00</u>
0003	TURBIDITY MONITORING	1	JB	LUMP SUM	<u>56,900.00</u>
TOTAL BASE BID (Items 0001 - 0003)					<u>1,756,900.00</u>

(1) OFFEROR MUST PRICE ALL LINE ITEMS. SEE PROVISION AT 52.236-28, SECTION 00100.

(2) QUANTITY INCLUDES REQUIRED DEPTH, ALLOWABLE OVERDEPTH, AND SHOALING ESTIMATED TO OCCUR BETWEEN DATES OF SURVEYS AND ACTUAL DREDGING.